

HUGHES AIRCRAFT COMPANY
MISSILE SYSTEMS GROUP

PURCHASE ORDER ATTACHMENT CP-MMWM (88)
(December 1988)

The following provisions are added to and made a part of the Purchase Order General Provisions effective for this Purchase Order:

A. All orders include the following:

1.

<u>Reference:</u>	<u>Title:</u>
52.216-16	Incentive Price Revision - Firm Target (applicable only price-redetermination, incentive-price-revision, or cost-reimbursement type subcontracts)
52.227-1	Authorization and Consent (Alt I)
52.203-7001	Special Prohibition on Employment
52.215-7001	Industrial Modernization Incentives Program (Applicable only when Seller is participating in a DoD-approved IMIP business arrangement.)
52.215-9001	Subcontractor Productivity Savings Reward (Applicable only when Seller is participating in a DoD-approved IMIP business arrangement.)
52.225-7001	Buy American Act and Balance of Payments Program
52.225-7014	Duty Free Entry - Additional Provisions
52.225-7027	Restriction on Contracting with Toshiba Corporation or Kongsberg Vapenfabrikk
52.227-7036	Certification of Technical Data Conformity
52.235-7004	Frequency Authorization

2.

INSPECTION

In addition to and not in lieu of quality attachments which are made a part of this order, Buyer and Buyer's customer personnel, may inspect work performed hereunder by Seller at all reasonable times. The Seller shall provide access to his facilities and render such assistance therein as Buyer's rights hereunder. The Seller shall include this provision in all orders/subcontracts executed hereunder.

3.

RELEASE OF INFORMATION

Release of any procurement information pertinent to this subcontract of the Buyer. requires prior approval

4.

INSURANCE REQUIREMENTS

If Seller is to perform work at Buyer's facility, Buyer's Purchase Order Attachment GL-14 is incorporated herein by reference.

If Seller is to perform work on U.S. Government property, then the following insurance requirements apply:

Workmen's Compensation and Employers' Liability Insurance

--\$100,000 minimum coverage

Comprehensive General Liability Insurance

--\$500,000 per occurrence

Comprehensive Automobile Liability Insurance

--\$200,000 per person

--\$500,000 per accident for bodily injury

--\$20,000 per accident for property damage

Seller shall furnish insurance certificates in accordance with paragraph I. of GL-14 prior to the commencement of any work at Buyer's facility or on U.S. Government property.

B. All orders over \$50,000 to other than qualified small businesses with less than 50 employees include Buyer's Purchase Order Attachment SP-01 (attached hereto).

C. All orders over \$100,000 include Buyer's Purchase Order Attachments SP-04 and CS-15, together with the following FAR/DFARS provisions when applicable:

<u>FAR/DFARS Reference</u>	<u>Applicability</u>	<u>Title</u>
52.215-23	All orders initially exempt from PL 87-653	Price Reduction for Defective Cost or Pricing Data--Modifications. Buyers prime contract contains this clause. The obligations which FAR 52.215-25 in the prime contract requires of subcontractors are required of Seller. In addition to any other remedies provided by law or under this Order, if Buyer is subjected to any liability as the result of Seller's or it's lower-tier subcontractors' failure to comply with the requirements of 52.215-25, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense resulting from such failure.
52.215-25	All orders initially exempt from PL 87-653	Subcontractor Cost or Pricing Data -- Modifications. The certificate required by paragraph (b) is Buyer's Form 9784A.
52.230-3	All orders subject to PL 91-379	Cost Accounting Standards. Paragraph (b) of the Clause is hereby deleted. Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting this clause and clause 52.230-4, provided Seller shall not be required to disclose to Buyer such communications containing information which is privileged and

confidential to the Seller. In addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with this clause or clause 52.230-4.

52.230-4	All orders subject to PL 91-379	Administration of Cost Accounting Standards.
252.204-7005	All orders	Overseas Distribution of Defense Subcontracts.

D. All orders over \$500,000 to other than qualified small businesses include Buyer's Purchase Order Attachment SP-06 (attached hereto).

E. All orders over \$1,000,000 include:

1. DFARS 52.235-7002 Recovery of Nonrecurring Costs on Commercial Sales.

2. Technical and Engineering Acquisition Support (TEAS)

In the performance of this subcontract, Seller agrees to cooperate with the Technical and Engineering Acquisition Support (TEAS) Contractor, subject to coordination with Buyer, and to include this clause in all subcontracts over \$1,000,000

F. If this Purchase Order/Subcontract is designated by Buyer or Buyer's customer as "Major/Critical" pursuant to AFSC 52.244-9001 (Apr 1987) ("Subcontract Management"), then the following clause is applicable:

"Subcontract Management - The prime contract under which this subcontract is issued provides for the designation of certain subcontracts as "Major/Critical" based upon their potential impact on the programs due to cost, schedule and/or technical performance problems. In the event this subcontract is so designated, the Seller hereby agrees that the following Subcontract Management Controls may be imposed by the Buyer until this subcontract is removed from the "Major/Critical" category:

1. Reporting by Seller at regular intervals on existing and potential technical, quality, cost (if appropriate) and schedule problems and of Seller's proposed solutions for their resolution.

2. Periodic program reviews between Buyer and Seller, attended by USAF representatives, at their election.

3. Visits to Seller's facilities (with advance notification) by Buyer and/or representatives of Buyer's customer.

It is noted that surveillance of this subcontract by the Government is not intended to establish privity of contract between the Government and the subcontractor."

G. In accordance with AFSC FAR SUPP 52.242-9001, which is hereby incorporated herein, the Seller shall be required to submit a Cost/Schedule Status Report (C/SSR) if this subcontract is other than Firm Fixed Price and is 12 months or more in duration and has either:

1. A dollar amount in excess of \$2 million, unless specifically waived by the ACO or;
2. A critical task relative to the Prime Contract as defined by mutual agreement between the Government and HAC.